NEIL ABERCROMBIE
GOVERNOR

PATRICIA McMANAMAN
DIRECTOR

BARBARA A. YAMASHITA
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES
P. O. Box 339
Honolulu, Hawaii 96809

February 13, 2012

TO: The Honorable John M. Mizuno, Chair
House Committee on Human Services

The Honorable Ryan I. Yamane, Chair
House Committee on Health

FROM: Patricia McManaman, Director

SUBJECT: **H.B. 2535 - RELATING TO PSYCHOTROPIC MEDICATIONS IN MEDICAID**

Hearing: Monday, February 13, 2012; 11:00 a.m.
Conference Room 329, State Capitol

PURPOSE: The purpose of this bill is to make permanent the successful changes to the psychotropic medication statute, Section 346-59.9, Hawaii Revised Statutes, as approved in Act 205, Hawaii Revised Statutes by removing the sunset date of June 30, 2012.

DEPARTMENT'S POSITION: The Department of Human Services (DHS) strongly supports this Administration bill. The Twenty-fifth Legislature in 2010 passed House Bill No. 2774 which was enacted as Act 205, Session Laws of Hawaii 2010.

Act 205 allowed the requirement for trials of generic anti-depressant and anti-anxiety medications to be explored before covering brand name medications for new prescriptions while maintaining the coverage of brand name anti-psychotic medications. DHS found that the implementation of the changes has been successful

and has not received any member complaints.

This bill will preserve access to necessary medications while encouraging the use of comparatively effective anti-depressant and anti-anxiety generic medications thereby reducing Medicaid expenditures without impacting health outcomes.

Since Act 205 was passed, Zyprexa has become available as a generic; Seroquel is expected to become available as a generic this spring; and Geodon is expected to become available as a generic this winter.

Thank you for the opportunity to provide testimony on this bill.

NEIL ABERCROMBIE
GOVERNOR OF HAWAII

LORETTA J. FUDDY, A.C.S.W., M.P.H.
DIRECTOR OF HEALTH

STATE OF HAWAII
DEPARTMENT OF HEALTH
P.O. Box 3378
HONOLULU, HAWAII 96801-3378

In reply, please refer to:
File:

House Committees on Human Services and Health

H.B. 2535, Related to Psychotropic Medications in Medicaid

Testimony of Loretta J. Fuddy, A.C.S.W., M.P.H.
Director of Health
February 13, 2012

Department's Position: The Department of Health supports this bill.

Fiscal Implications: Substantive cost savings to consumers.

Purpose and Justification: The bill makes permanent previous changes to the psychotropic medication statute that ensures access to medically necessary psychotropic medications while allowing cost-effective strategies.

The changes made by Act 205 of the twenty- fifth Legislature to Hawaii Revised Statutes 346-59.9 were positive, cost-effective, and should be continued.

The provisions of this bill formalize a medication decision tree or algorithm which requires a trial of generic antidepressant and anti-anxiety agents before a brand name medication will be approved for payment. The number, variety, and quality of generic medications available for depression and anxiety are adequate to offer consumers safe and effective treatments for those conditions. And, brand name medication may be approved if generic trials are conducted and fail. This is cost-effective practice and does not jeopardize patient safety.

As an additional point, brand name antipsychotic medication continues to be permitted under this statute, which allows those individuals affected by conditions characterized by psychosis to receive any

appropriately prescribed medication without being subject to a requirement for trials of generic substitutes.

Thank you for the opportunity to testify on this bill.

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Monday, February 13, 2012

To: The Honorable John M. Mizuno
Chair, House Committee on Human Services

The Honorable Ryan I. Yamane
Chair, House Committee on Health

From: 'Ohana Health Plan

Re: House Bill 2535-Relating to Psychotropic Medications in Medicaid

Hearing: Monday, February 13, 2012, 11:00 a.m.
Hawai'i State Capitol, Room 329

Ohana Health Plan is managed by a local team of experienced health care professionals who embrace cultural diversity, advocate preventative care and facilitate communications between members and providers. Our philosophy is to place members and their families at the center of the health care continuum.

'Ohana Health Plan is offered by WellCare Health Insurance of Arizona, Inc. WellCare provides managed care services exclusively for government-sponsored health care programs serving approximately 2.4 million Medicaid and Medicare members nationwide. 'Ohana has been able to take WellCare's national experience and that of our local team to develop an 'Ohana care model that addresses local members' health care, long-term care and care coordination needs.

We appreciate this opportunity to testify in support of House Bill 2535-Relating to Psychotropic Medications in Medicaid. The purpose this measure is to make permanent previous changes to the psychotropic medication statute that ensure access to medically necessary psychotropic medications while allowing cost-effective strategies.

Enactment of Act 205 (2010) enabled the five contracted QUEST and QUEST Expanded Access (QExA) plans (HMSA, Kaiser, AlohaCare, Evercare and 'Ohana Health Plan) to begin imposing some oversight on psychotropic medication under the QUEST program by allowing health plans to require prior authorization review for brand name anti-depressants after a prescriber first tries two generic anti-depressant medications.

When the Legislature changed the law in 2005 to allow QUEST recipients unrestricted access to psychotropic medication they effectively took away a portion of the overall purpose of managed health care, which is to both promote improved patient care, as well as to manage health care costs. Appropriate medical care ultimately controls health care costs by decreasing the use of hospital and institutional services. There is no evidence that unrestricted access to psychotropic medications leads to improved outcomes and growing concerns that this policy may increase adverse effects and use of institutional services such as emergency rooms.

Prescription drug costs are one of the highest cost drivers in health care, and psychotropic medications are especially costly because brand products are heavily promoted by pharmaceutical manufacturers. Forcing managed health care plans contracted with the State to accept unrestricted access for psychotropic medication, without clinical evidence of effectiveness contributes to the growing financial woes of our State.

Anti-depressant studies by the National Institutes of Mental Health, show no difference in the efficacy and quality of brand name versus generic prescription, yet in Hawai'i brand name anti-depressants are widely used. Allowing QUEST and QExA plans to begin a two failed-attempt policy for anti-depressants are a small step in the right direction. Act 205 included a sunset provision in order to give the Department and the Legislature the opportunity to revert back to the old policy should it be found that this policy change was problematic.

The Department has found and reported, as required by Act 205, that since implementation of the revisions to the statute that it has been successful in achieving the desired outcomes, and that they have received no member complaints.

Thank you for this opportunity to submit testimony in support of House Bill 2535-Relating to Psychotropic Medications in Medicaid.

HMSA

Blue Cross
Blue Shield
of Hawaii

An Independent Licensee of the Blue Cross and Blue Shield Association

February 13, 2012

The Honorable John M. Mizuno, Chair
The Honorable Ryan I. Yamane, Chair

House Committees on Human Services and Health

Re: HB 2535 – Relating to Psychotropic Medications in Medicaid

Dear Chair Mizuno, Chair Yamane and Members of the Committees:

The Hawaii Medical Service Association (HMSA) appreciates the opportunity to testify in support of HB 2535 which would make permanent the provisions of Act 205, SLH 2010, which gave the Department of Human Services (DHS) the ability to ensure psychotropic medications are being properly dispensed for QUEST members while responsibly controlling the cost of these medications. HMSA supports this measure.

HB 2535 will continue to ensure the appropriate use of psychotropic medications, and it provides access to prescriptions which are most appropriate for those in need of these medications. HMSA has experienced cost savings in health plans that require the use of comparatively effective but less expensive generic medications. We would request one change that would expand the scope of this statute to cover all psychotropic prescriptions, and not just prospective orders. Attached for your consideration is suggested additional draft language.

Thank you for the opportunity to testify in support of this legislation. Passage of HB 2535 and our suggested amendment will allow DHS and the QUEST plans to continue to provide a better quality of service to members in need of psychotropic medications.

Sincerely,

Jennifer Diesman
Vice President
Government Relations

Proposed Amendment to HB 2535

Section 3. Section 346-59.9 is amended to read as follows:

"§346-59.9 Psychotropic medication. (a) This section shall apply only to the QUEST, QUEST Expanded Access, and fee-for-service programs administered by the department when the department or the department's contracted health plan is the primary insurer. When the department is the secondary insurer, the department and its contracted health plans shall be responsible only for the secondary insurer's share of any psychotropic medication covered by the primary insurer.

(b) The department and its contracted health plans shall not impose any restriction or limitation on the coverage for, or a recipient's access to, antipsychotic medication.

(c) The department and its contracted health plans shall not impose any restriction or limitation on the coverage for, or a recipient's access to, antidepressant medication other than:

(1) Requiring that an individual must have two failed attempts on a generic antidepressant medication to receive coverage for a new brand-name antidepressant prescription; and

(2) Requiring that if an individual does not have two failed attempts on a generic antidepressant medication, that individual shall receive coverage for a brand-name antidepressant medication with prior authorization by the contracted health plan; provided that while a prior authorization request for a brand-name antidepressant medication submitted by the prescriber is pending, a supply of the prescribed medication sufficient to last until the request is resolved shall be covered if requested by the prescriber.

For purposes of this subsection, a "failed attempt" means that the prescribed generic antidepressant medication up to the maximum FDA-approved dosage is not effective in treating the individual, or the individual's compliance is compromised due to the side effects caused by the medication.

(d) The department and its contracted health plans shall not impose any restriction or limitation on the coverage for, or a recipient's access to, anti-anxiety medication other than:

(1) Requiring that an individual must have two failed attempts on a generic anti-anxiety medication to receive coverage for a new brand-name anti-anxiety prescription; and

(2) Requiring that if an individual does not have two failed attempts on a generic anti-anxiety medication, that individual shall receive coverage for a brand-name anti-anxiety medication with prior authorization by the contracted health plan; provided that while a prior authorization request for a brand-name anti-anxiety medication submitted by the prescriber is pending, a supply of the prescribed medication sufficient to last until the request is resolved shall be covered if requested by the prescriber.

For purposes of this subsection, a "failed attempt" means that the prescribed generic anti-anxiety medication up to the maximum FDA-approved dosage is not effective in treating the individual, or the individual's compliance is compromised due to the side effects caused by the medication.

(e) [~~The department and its contracted health plans shall not require any individual stable on a brand-name antidepressant medication on or before July 1, 2010, to transfer to a different antidepressant medication, generic or brand-name, unless the individual's condition becomes unstable and requires the medication to be replaced.~~

~~(f) The department and its contracted health plans shall not require any individual stable on a brand-name anti-anxiety medication on or before July 1, 2010, to transfer to a different anti-anxiety medication, generic or brand-name, unless the individual's condition becomes unstable and requires the medication to be replaced.~~

~~(g)~~] (f)The department and its QUEST contracted health plans shall have the authority to investigate fraud, abuse, or misconduct.

(h) (g)The department shall report to the legislature no later than twenty days before the convening of each regular session on:

(1) The number of brand-name and generic prescriptions written to which this section applies; and

(2) The amount expended on brand-name prescriptions and the amount expended on generic prescriptions written each fiscal year to which this section applies.

(i) All psychotropic medications covered by this section shall be prescribed by a psychiatrist, a physician, or an advanced practice registered nurse with prescriptive authority under chapter 457 and duly licensed in the State.

(j) As used in this section:

"Anti-anxiety medication" means those medications included in the United States Pharmacopeia's anxiolytic therapeutic category.

"Antidepressant medication" means those medications included in the United States Pharmacopeia's antidepressant therapeutic category.

"Antipsychotic medication" means those medications included in the United States Pharmacopeia's antipsychotic therapeutic category.

"Psychotropic medication" means only antipsychotic, antidepressant, or anti-anxiety medications approved by the United States Food and Drug Administration for the treatment of mental or emotional disorders."

AlohaCare

For a healthy Hawaii.

Monday, February 13, 2012
11:00 am
Conference Room 329

~~date, 2012~~
~~time~~
~~Conference Room **~~

To: The Honorable John Mizuno, Chair
The Honorable Jo Jordan, Vice Chair
House Committee on Human Services

The Honorable Ryan I. Yamane, Chair
The Honorable Rep. Dee Morikawa, Vice Chair
House Committee on Health

From: Paula Arcena, Director of Public Policy
Robert Toyofuku, Government Affairs

Re: ~~**~~ HB2535~~bill no.~~ Relating to Psychotropic Medications in Medicaid~~**~~

Thank you for the opportunity to testify.

AlohaCare supports HB2535 which proposes to remove the June 30, 2012 sunset of Act 205 making permanent the Hawaii Medicaid program requirement of trails of generic antidepressants and anti-anxiety medications before covering brand name medications for new prescriptions while still maintaining the requirement of medical assistance coverage of brand name antipsychotic medications.

We support this measure because generic medications present an opportunity to reduce costs, thus strengthening the financial sustainability of the Hawaii Medicaid program, while preserving an appropriate level of care.

AlohaCare's formulary of medications is comprised largely of generic prescription drugs and it is reasonable to extend that practice to psychotropic medications. The bill will effectively allow AlohaCare to expand its practice of maximizing use of generic medications across all prescription medications.
~~**.~~

1357 Kapiolani Blvd, Suite 1250, Honolulu, Hawaii 96814
www.AlohaCare.org

AlohaCare is a non-profit, Hawaii based health plan founded in 1994 by Hawaii's community health centers to serve low-income families and medically vulnerable members of our community through government sponsored health insurance programs. We serve beneficiaries of Medicaid and Medicare on all islands.

~~Thank you for this opportunity to testify.~~

1357 Kapiolani Blvd, Suite 1250, Honolulu, Hawaii 96814
www.AlohaCare.org

HAWAII DISABILITY RIGHTS CENTER
1132 Bishop Street, Suite 2102, Honolulu, Hawaii 96813
Phone/TTY: (808) 949-2922 *Toll Free*: 1-800-882-1057 *Fax*: (808) 949-2928
E-mail: info@hawaiidisabilityrights.org *Website*: www.hawaiidisabilityrights.org

THE HOUSE OF REPRESENTATIVES
THE TWENTY-SIIXTH LEGISLATURE
REGULAR SESSION OF 2012

Committee on Human Services
Committee on Health
Testimony on H.B.2535
Relating to Psychotropic Medications in Medicaid

Monday, February 13, 2012, 11:00 A.M.
Conference Room 329

Chair Mizuno, Chair Yamane and Members of the Committees:

The Hawaii Disability Rights Center offers the following comments on this bill.

The current law was very carefully negotiated two years ago, largely through the leadership of Senator Chun- Oakland, in consultation with a group of stakeholders. We were a major part of that discussion. The agreement was to allow open access for antipsychotic medications and to provide that generic drugs could first be required for anti depressant and anti anxiety medications. There was also a provision that any individual who was stable on a brand name anti depressant or anti anxiety medication at the time the act took effect could remain on that medication so long as they were stable. There was a two year sunset provision that was inserted.

The purpose of this Administration bill is to remove the sunset so that the law does not become repealed. We have no objection to that. However, at the Senate hearing on the companion bill we were concerned that amendments were proposed by HMSA, without consultation with any of the stakeholders, including (to our knowledge) the administration. Their proposal was to delete the requirement that individuals could remain on their current medication if they were stable. As drafted, their amendments are potentially very dangerous as they would allow the Medicaid health plans to destabilize all the individuals with mental illness who were receiving brand name anti depressant or anti anxiety medication prior to July 1, 2010. As all the parties have agreed in all the years that this issue has been debated, if an individual is stable on their mental health medication, the last thing that should be done is an attempt to change that in any way.

We urge the Committees to reject any similarly proposed amendments that might be offered by HMSA at the hearing on this measure. If substantive changes are going to be made to this Act, we believe that they should be proposed in a bill so that they can be properly heard and aired, as are all proposals that come before this legislature. Adopting amendments in this fashion is not a proper way to enact public policy.

Thank you for the opportunity to offer comments on this measure.

Testimony for HUS/HLT 2/13/2012 11:00:00 AM HB2535

Conference room: 329
Testifier position: Support
Testifier will be present: Yes
Submitted by: Scott Wall
Organization: United Self Help
E-mail: robertscottwall@yahoo.com
Submitted on: 2/12/2012

Comments:
After consultation following the last minute ammendment HMSA offered on SB 2797 consumers still support this bill provided there is language stating that the doctors have the last say as to whether a stable patient MUST switch from a brand name drug to the generic equivalent. While it may be the same chemical compound some patients worry that if it is not blended exactly the same way there could be different physiological results. If that language is included then we support the idea of keeping health care cost down.

February 11, 2012

Ellen K. Awai, MSCJA, BBA, CPRP, HCPS
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TO: Representative Ryan Yamane. Chair of the Health Committee & Members
Representative John Mizuno, Chair of Human Services Committee & Members

Hearing on Monday, February 13, 2012, 11:00 a.m. in Room #329

SUBJECT: HB2535 (Companion SB2797) Medicaid Psychotropic Medications - Please support!

I am a mental health advocate and one of the few certified Psychiatric Rehabilitation Practitioners in Hawaii. I graduated last year with my masters in criminal justice administration. As a former dual eligible with Medicaid and Medicare, I understand the importance of having Medicaid coverage on medications and the problems a person with limited income faces. A person should not have to make a choice between eating or getting medications, which are both necessary to keep them healthy and mentally stable.

Having a diagnosis that is so dependent on taking medications regularly, it was so important that Medicaid cover the costs even if I had no money. With only Medicare there a copayment is needed and I must decide which medications are necessary. Most psychotropic medications have generic brands, but the prescribing doctor should approve it, since not all medications react the same on every individual, such as statins. Without the right medications, other community costs could increase such as emergency rooms, hospitals, law enforcement, and the court system. Please support HB2535 companion to SB2797 with comments!

Mahalo and Aloha!

Ellen K. Awai
Mental Health Advocate